

1 MR. PUTSAVAGE: Thank you, Madam Chair and
2 Commissioners. I want to express the appreciation of
3 Commissioner Tim Smith and the National Thoroughbred Racing
4 Association for this opportunity to present our recommendations
5 to the Commission as it proceeds through deliberations toward a
6 final report.

7 Just as a brief background, Allen, who is a board
8 member of the NTRA, alluded to this. The NTRA is a recent
9 industry-wide effort to reinvigorate the economics of
10 thoroughbred horse racing in the U.S.

11 The NTRA represents and is funded by all the major
12 participants in the sport: racetracks, owners, breeders,
13 trainers, jockeys, vets, and other individuals and businesses
14 involved in racing. As a result of our efforts, you will see
15 more racing on television this year.

16 Racing has been particularly exciting in the last two
17 years with two near Triple Crown winners. Attendance has been
18 showing signs of growing.

19 We would remind you, as you have heard from various
20 sources today and before, that we are on the small end of the
21 wagering dollar, somewhere over seven percent. We have, in fact,
22 experienced declining wage earning in absolute dollar terms over
23 the 25-year period that was discussed earlier today.

24 And one other economic point. On a different scale,
25 the average family income of thoroughbred owners is about
26 \$70,000, certainly a decent level of income but not significant
27 wealth.

1 We have submitted to you a series of proposed findings
2 and recommendations addressing our sport and industry. These
3 recommendations are jointly supported by the NTRA, the American
4 Horse Council, and the Thoroughbred Horsemen's Associations.

5 I want to speak to you briefly about two of those sets
6 of recommendations, one of which has to do with the regulation of
7 racing. You have heard repeatedly the assertion that the
8 regulation of gambling is a matter reserved to the states and
9 should stay there. We think we have provided the Commission with
10 an ample foundation to recognize the soundness of the regulation
11 of racing.

12 State legislators, citizen racing commission members,
13 state racing regulators, and racing regulatory organizations have
14 testified to the Commission in support of the effectiveness and
15 responsiveness of the existing regulatory structure that governs
16 racing at the state level.

17 Extensive personal licensing requirements apply to all
18 facets of racing and individuals involved in racing, assuring
19 that background documentation and checks occur on all racing and
20 wagering staff.

21 State regulations and strict veterinary standards and
22 examinations govern the condition of and treatment of horses
23 allowed to enter and run in races. Those of you and your staff
24 who toured Del Mar saw and heard firsthand from the California
25 state track veterinarian about the controls in place for racing
26 integrity and soundness. And you also heard in Del Mar from Mr.
27 Chamblin of the Association of Racing Commissioners

1 International. And I believe you have heard also from the
2 National Association of Pari-mutuel Regulators. We urge you to
3 adopt findings supporting this regulatory structure.

4 Let me come to an issue of central concern to all of
5 us. And that is the recognition of and treatment of problem
6 gambling. The U.S. horse-racing industry has recognized the
7 problem of compulsive gambling and has finally begun to undertake
8 steps to address it. And I want to thank this Commission on
9 behalf of the industry for ringing a wake-up bell that has helped
10 to start this initiative.

11 You have seen the responsible wagering resources guide
12 for racing managers. We urge you to recognize this as a sound
13 first step.

14 As an aside, I want to express the industry's thanks to
15 Dr. Curtis Barrett, who is, in fact, here with us today and some
16 of you know, for his work in bringing this manual about, in
17 helping to write it, and his work through the Winners Foundation.

18 A number of racetracks have undertaken appropriate
19 education and training programs to address compulsive gambling.
20 You might say one of the industry leaders here is Churchill
21 Downs. And you heard from Mr. Meeker in Del Mar about his
22 efforts there.

23 We recognize that our industry should have the goal of
24 full implementation of such programs, and you would be right to
25 call for that.

26 Commissioner McCarthy has, in fact, asked us to assess
27 for him in an assembled fashion the extent and nature of these

1 programs. We have received that request recently, and we are
2 working to compile that information for you.

3 The racing industry is committed to studying avenues
4 for funding additional compulsive gambling research and program
5 implementation. We think we should concentrate our dollars on
6 looking at issues which are central to our business and our
7 wagering characteristics.

8 We have heard reports here this morning that I have yet
9 to read of findings coming out of the patron survey, which seem
10 to indicate a very severe problem in the racing industry. And
11 while there may be methodological issues to raise with that
12 survey that might cause that outcome to be a different figure, we
13 want to stress to you our recognition that that does indicate a
14 level of a problem.

15 And we are committed to looking at that and finding out
16 what is the nature of the scope of the problem and, furthermore,
17 regardless of the scope of the problem, realizing that it does
18 exist, move forward to address it.

19 Finally, I want to express my personal thanks to the
20 Commission for the attention you have given the racing industry.
21 I hope you have gained some appreciation of how much people love
22 participating in our sport.

23 Thank you also again for raising the awareness of the
24 social impact side of our industry. We're well-aware of all the
25 pluses. I think we're more aware of the potential negatives.

26 I'm happy to respond to any questions. Thank you very
27 much.